

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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London Conference Delays Adjournment

Eleventh Hour Appeal by Cordell Hull Checks Movement to Abandon All Negotiations

RECESS UNTIL FALL PLANNED

Modified Agenda Adopted to Permit Postponing of Real Issues

Reeling under the impact of successive blows, the World Economic Conference barely escaped collapse early this month and decided to continue its deliberations in a greatly modified form. The crisis came on July 6, a few days after President Roosevelt had sternly rebuked the gathering for planning to give up its work merely because it could not come to an agreement on temporary currency stabilization. But it was not the president's curt message that saved the parley. Rather, it was an eleventh hour appeal made by Cordell Hull, chief of the American delegation, coupled with a reluctance on the part of a majority of the delegates to allow the conference to collapse under such dismal circumstances.

Hull Makes Appeal

When the steering committee met on July 6 to decide whether the conference could go on, Secretary Hull immediately took the floor and made a stirring appeal begging the delegates not to wreck the meeting just because it had failed to come to an accord on one subject. He pointed out that there were other topics which could be fittingly discussed and emphasized the fact that the conference had scarcely begun. The plea was so forcefully presented that it found support first among the Japanese, British and British Dominion delegations and eventually won the day. France and the other gold countries which had insisted all along that the conference could not continue unless currencies were stabilized, agreed not to withdraw under condition that monetary questions should not be discussed. Subsequently a sub-committee was appointed to determine what questions could be talked about. This sub-committee was to report to the full steering committee which in turn would chart the future course of the conference. It was indicated that meetings would be held until the latter part of the month and the conference would then adjourn for perhaps several months, leaving a few committees to function in the meantime.

This, technically, is what happened in London during the last week or so. What lay behind the maneuvering? To all intents and purposes, with monetary questions ruled out, there obviously could be little progress in any direction. It would be futile to talk about trade barriers so long as the money situation remained uncertain. And these two subjects were foremost on the parley's program. Why, then, did not the delegates decide simply to call off the negotiations and return home?

Political Moves

They did not do so because while they go under the name of statesmen they are also shrewd politicians. It is bad politics to fail in anything and the delegates real-

(Concluded on page 7)



—Darling in Wichita EAGLE

TAKING OFF WITHOUT THE PILOT

Why the Government Acts

The Roosevelt administration is taking drastic action to combat the forces of depression and to hasten the processes of recovery which are clearly under way. The president has appointed a super-cabinet to direct recovery measures. There is every indication that he is impressed by the necessity for quick and resolute action by the government. At the same time there is considerable evidence that people generally do not understand this need for increased governmental activity. The opinion suggested by the cartoon reproduced on this page is quite commonly held. Recovery is already here, according to this point of view. It is coming from natural causes, and has even preceded efforts of the government to bring it about. And it is a fact that during the last three months business conditions have improved more rapidly than during any previous three-month period of our history. The index of the *Econostat* shows general business activity at 44 on March 25, 1933, and at 71 on July 1. During April, May and June there was an increase of 25 points and there are but 29 points to go until normal conditions are reached. It is natural, then, that many people should wonder why the government should not keep hands off and let economic improvement follow its natural course. A closer examination of facts and figures however, brings to light some of the reasons for the concern which is felt at Washington. Business is, indeed, more active. Production is increasing. Larger quantities of goods are being manufactured. But this increasing production cannot be sold in the markets unless the purchasing power of the people increases in proportion to the enlarged quantities of goods. And to date purchasing power is not growing in that proportion. Wages are not increasing. Salaries are not going up. A considerable number of the idle are going back to work, but there is not enough reemployment to take care of the increasing production of goods. There is an enlarged purchasing power due to higher farm prices, but these higher prices are accidental and temporary, resulting from extensive crop failures. There is, therefore, grave danger that goods now being produced on faith may not be sold, that surpluses may appear and that our economic machinery may be stalled again. To prevent that situation, to keep the wheels moving, the government is working feverishly. It is trying to prevent overproduction, to regularize industry, to raise wages and increase purchasing power. If there was need for planning and for government assistance last spring, there is need for it today.

Program for Public Works Is Underway

Millions to Be Spent on Highways, National Forests, Bridges, Slums, Schools and Other Projects

RULES FOR LOANS LAID DOWN

New Board Under Ickes Working to Achieve Broad Regional Planning

As America's private industries for the first time seek to chart their future course under Title 1 of the National Industrial Recovery Act, so will the U. S. government try, under Title 2 of the new law, to build its \$3,300,000,000 worth of federal public works after a conscious pattern.

For 150 years the United States, like Topsy, "jes' grew." Sprawling, over-built and jerry-built cities with great half-empty skyscrapers, germ-breeding slums, narrow streets and approaches utterly unfit for auto transportation, other evils stand as monuments today to America's planless growth. Never before has either private industry or the government tried to build their physical plants with an eye to the movement of the people, their changing habits and aspirations. Many consider that a planned private industrial system is well-nigh impossible under a competitive and dynamic civilization such as ours. But few deny that the U. S. government may, if it chooses, initiate an experiment in public building conforming to a definite and purposeful plan in line with the dreams of the 125,000,000 American people. A glance at the preparations now being made to spend the new billions of federal money on public works will convince one that such an attempt is being made by the more intelligent officials at the helm of affairs.

The Building Program

In launching this greatest peace-time public works project of all time, the government has laid down a number of important rules. A total of \$400,000,000 is to be spent outright by the federal government on highways. Another \$50,000,000 will be used for building roads, bridges, trails and other works in national forests, public lands and Indian reservations. The sum of \$238,000,000 will be spent by the navy to build 32 vessels under the limits of the Washington naval limitations conference. A special fund of \$25,000,000 is set aside to create "subsistence farms." The rest is to be spent on rivers, harbors, federal buildings and other government structures, or loaned and granted to the states, counties and cities for socially liquidating works such as streets, schools, grade-crossing works, slum elimination, other projects. The government may grant outright sums to localities up to 30 per cent of the cost of labor and materials for specified public works.

Rules, so far laid down, declare that localities making loans or receiving grants must have balanced budgets and be in sound financial condition; they must build only socially useful projects that will employ the greatest number of men; the 30-hour workweek will be employed universally; man labor shall be employed wherever possible in preference to machine power.

The scope of projects contemplated for localities is much broader than under the Hoover public works program. Projects in slum abatement, erosion control and reclamation, public parks, playgrounds, schools, waterworks and sewage disposal can be paid for under cheap interest rates from taxes, instead of through tolls and other income under the so-called "self-liquidating" loans under the old Reconstruction Finance Corporation. And, unlike the old act, the new one encourages the building of publicly owned power plants and transmission lines by specifically mentioning them in the law.

Underlying Policy

More important, however, than these general rules is the policy that the government will attempt to carry out. Briefly, this was enunciated by Secretary of Labor Frances Perkins in a recent radio talk.

"Only those projects which will be of lasting benefit to the communities in which they are to be constructed will be approved," said Miss Perkins. "They should be regenerative and fit into the sound plans for the future development of the communities."

The word "regenerative" is significant of the type of works the government hopes to see undertaken. It embraces the projects that have been so often stressed as necessary to rebuild the nation along modern lines—slum abatement, new city and rural schools, cheap electric power, the preservation of the nation's land and forest resources, the life-saving elimination of dangerous grade-crossings and, above all, the building of small semi-rural, semi-urban homes for workmen.

An Issue Develops

How far the government dare go toward the ideal implied in the word "regenerative" depends, of course, upon the power resident in that worn but still stout vessel of the political cellars, the Pork Barrel. Pork still is the chief article of diet for the old-fashioned politicians who swarm about Washington in hungry hordes. If these gentry can bring home the bacon from Washington in the form of seawalls, post-office buildings or bridges, they consider themselves statesmen. Their power heretofore has not been seriously challenged. It is being challenged now by those who see in public works not only an emergency job-making venture on a great scale, but a means of planning a new way of life for the American masses.

So far the national planners have won two important victories. One was the naming by President Roosevelt of Secretary of Interior Harold L. Ickes as chief administrator of the Public Works Administration. The other was the decision to name regional instead of state administrators. Secretary Ickes' appointment was a virtual notice served by the president that spoilsmen and pork-barrel rollers need not apply, for in the government's high places no man has proved himself more concerned with public service, less with political pap. Himself a Progressive Republican, Mr. Ickes has staffed his big Interior Department with men of the highest caliber. Ability and liberal-mindedness appear to have superseded all other considerations in his appointments.

In the decision to name regional directors, the administration has avoided the dictation of Democratic senators and congressmen in the appointment of those who will spend the vast federal funds. Also regional administrators will be able to plan the spending with a view to the larger national trends and population movements.

What, then, can Administrator Ickes do to plan the building of a national plant in behalf of the people of 1933 and their descendants?

A Rural Experiment

Chiefly, it appears he can and will try to encourage the spread of what has become a hobby of President Roosevelt's—the semi-rural, semi-urban culture now springing up on the edges of American cities. No intelligent government can ignore the current trend of population away

from the cities and toward the farms. Dr. O. E. Baker, senior economist of the U. S. Bureau of Agricultural Economics, estimates that more than 2,500,000 people have been added to the American farm population in the past three depression years. The farmward trek has been far from the inspiring heira that opened the new lands of the West. The depression "pioneers" are older, more disillusioned folk whom the city has rejected and the land to which they are returning is poorer too. A survey, for instance, of 26 counties of western Kentucky revealed that 8,000 new families have returned to the soil that in so-called "good times" never

President Henry I. Harriman of the U. S. Chamber of Commerce, who hopes to see a semi-rural industry all over America such as California is developing, and others will help along the movement. So will the government in building its Tennessee Basin project. Other factors are contributing to its success, as for instance, cheaper power, cheaper transportation, better roads, the reaction against our too-great and too-centralized city industries that, apparently, have reached the point of diminishing returns, and, chiefly, the normal craving of normal men for a bit of soil on which to plant their feet.

Historically every civilization that has



© Ewing Galloway

PUTTING MEN TO WORK—OBJECT OF THE ADMINISTRATION'S PROGRAM

yielded more than an average income of \$500 a year. Then there are such regions as the soft coal towns, the logged-over timber regions and other rural sore spots, where men, women and children live constantly on the edge of starvation. What can the government do for families of these blighted regions? What for the millions of others in the overcrowded cities now yearning for a bit of ground to cultivate?

The clause in the Recovery Act setting aside \$25,000,000 for developing "subsistence farm" settlements is the president's answer. This small sum, of course, will do little toward the actual settlement of families on small part-time farms, but it will provide a demonstration. It will, it is hoped, prove the feasibility of a housing scheme more in line with men's demands for economic security and normal living than the fetid slums of big cities can offer. In naming Robert B. Kohn of New York to head this new rehousing movement under the Recovery Act, President Roosevelt has shown that he considers the project worthy of the most expert handling. Mr. Kohn is former president of the American Institute of Architects and a pioneer in the slum clearance movement. He will, doubtless, spend the allotted sum in such a way as to accelerate the already sizable movement toward the decentralization of industry and the part-time farm ideal. Industrialists like Henry Ford, who insists that his workers shall live on small garden farms,

separated itself from the soil has perished. It is the hope of the "new deal" government at Washington that this country can balance its smokestacks and its cornstalks, capitalize its industrial genius without losing the spiritual values of farm life, create a new and intermediate civilization where life is made more secure by part-time wages and more normally pastoral by part-time farming.

For Better Housing

America must rehouse its workers. There is need for 9,000,000 new workingmen's homes, for there are that many homes being lived in that are unfit for human habitation. It needs rural schools, cheaper power, better roads, parks, playgrounds, parking space for autos in the cities, better approaches to its cities, and many other improvements. If the government spends its \$3,300,000,000 public works fund wisely and in line with the trends of the time, it will not only get a maximum return in social values but it will start a developmental movement on private lines of infinite possibilities and proportions. And it will help in the creation of a new way of life for millions of city-weary Americans.

Electric power and light production made the largest percentage rise during the week ending July 8 than over any similar period of time during the last three years. The actual gain registered was 14.7 per cent.

Roosevelt Planning to Recognize Russia

R. F. C. Loan Points to Improvement of Trade Relations and Exchange of Envoys

The Roosevelt administration is moving cautiously but surely toward the recognition of Soviet Russia. The recent announcement of a \$4,000,000 loan to Russia by the Reconstruction Finance Corporation was given out as a "feeler" to test public opinion. It will probably be followed by much larger loans and by formal diplomatic recognition.

Thus will end an issue which has been constantly before the country since 1917. From the day the Communists seized power in Russia we have refused to have anything to do with them. Our attitude has been based on three reasons. We have claimed: 1. that Soviet Russia is attempting to promote revolution in other nations, 2. that it has refused to assume responsibility for the debts of former Russian governments, and 3. that it has failed to pay Americans for property confiscated after the Russian revolution. The argument runs that the Soviets have proved themselves unwilling to discharge their international obligations and that consequently we cannot have cordial diplomatic relations with them.

Propaganda

The most serious of the charges made against Russia is the one with regard to communist propaganda. In Russia, there is an organization known as the Third International, which has for its purpose the stirring up of world-wide proletarian revolt. The Soviet government claims that it is not responsible for the activities of this body, but we have contended that it is responsible inasmuch as the two are connected through a system of interlocking directorates. We have maintained that we cannot recognize a government which deliberately plans to undermine our institutions and overthrow our government. This has been the consistent policy of the Wilson, Harding, Coolidge and Hoover administrations.

There is evidence, now, that President Roosevelt is preparing to throw that policy overboard and recognize Russia without further bickering. He has been strongly urged to do this by those who think that the government's position in the past has been foolish and illogical. They point out that recognition of a government does not necessarily imply approval of its practices. Recognition merely means the exchange of diplomatic and consular officers which enables two countries to do business with each other. They say that Russian propaganda can be carried on just about as well without recognition as with it, and point to the negative growth of the communist movement in this country, as proof of its ineffectiveness.

The strongest argument made in favor of recognition is the trade advantages which would accrue to the United States. The Soviets need our products, but will not buy heavily until we recognize them. True, it is replied that they buy only on long-term credit, but the answer is made that they have never defaulted on a single obligation since the war. The question of governmental debts is no longer regarded with importance since other nations are not paying their war debts and it is believed that the issue of confiscated property can be adjusted.

Finally, the Soviet government seems of late to have stifled the activities of the Third International. Foreign Commissar Litvinov has been concluding non-aggression pacts right and left with Russia's neighbors. He has won many friends in Europe and has been cultivating the members of the American delegation in London. A number of people believe that the Soviets have lost their interest in world revolution, and are more anxious to have their experiment succeed first within their own national boundaries.



WE all know that the administration is working on many fronts to break the back of depression. But until recently there has not been much unity among the various government agencies working for recovery. Last week, however, President Roosevelt created a supreme council, composed of all cabinet members and the administrators of the special federal agencies set up by Congress. This council will meet once a week to discuss methods by which recovery can be hastened and to direct the policies of national rehabilitation.

In addition to the cabinet, the members of the council include: Lewis W. Douglas, director of the budget, Jesse H. Jones, chairman of the Reconstruction Finance Corporation, Hugh S. Johnson, administrator of the Industrial Recovery Act, George Peck, administrator of agricultural adjustment, Henry Morgenthau, Jr., governor of the Farm Credit Administration, William F. Stevenson, chairman of the board of the Home Loan Corporation, Harry L. Hopkins, federal relief administrator, Arthur E. Morgan, chairman of the board of the Tennessee Valley Authority, Joseph B. Eastman, federal railroad coordinator, and Robert Fechner, director of the Civilian Construction Corps.

Farley Makes Enemies

Postmaster James A. Farley, patronage dispenser for the administration, has of late made himself somewhat unpopular in Washington. He has attempted to relieve



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JAMES A. FARLEY

as many Republicans as possible of their jobs in order to create work for Democrats. With thousands of experienced government workers who have a civil service status out of work, Mr. Farley has tried to fill positions in new bureaus with friends of the administration, regardless of these persons' merits. It is said that when President Roosevelt returned from his vacation he reminded Mr. Farley of the fact that several million Republicans helped to elect him to the presidency. Up to now, however, the president's little reminder has not seemed to have had much effect, as every day one hears of government workers being laid off to make room for those on Mr. Farley's list.

Wallace Warns Bread Profiteers

Secretary of Agriculture Wallace is determined that bread prices shall not rise to unwarranted levels. Several days ago he telegraphed to the mayors of 49 cities—cities from which complaints have flowed relative to large increases in bread prices. He warned these cities that governmental powers will be used, if necessary, to prevent bread profiteering. The rise in the price of wheat, Mr. Wallace declares, should only affect the price of bread by a small fraction.

Moley Returns

Assistant Secretary of State Raymond Moley returned from the World Economic Conference several days ago. While in London, it is said, Mr. Moley completed preliminary negotiations for an early recognition of Soviet Russia. He conferred with the Soviet foreign commissar on several occasions.

Roosevelt Signs Cotton Code

President Roosevelt has signed the cotton textile code which abolishes child labor in the industry, establishes a forty-hour week and fixes minimum wages at \$12.00 weekly in the South and \$13.00 in the North. Thus the first code for fair competition under the National Recovery Act is now in effect. When President Roosevelt signed the code he praised the provision which eliminates the employment of children in the cotton industry.

Hitler Halts Revolution

Chancellor Hitler of Germany has called a halt to the revolution which he has been fostering in Germany. In an address last week, he said that revolution must now give way to evolution, the principal aim of which must be to protect business and to find a permanent solution of the

Following the News

unemployment problem. "There have been more revolutions which have succeeded at the first assaults," the fiery chancellor declared, "than there have been successful revolutions which were quickly intercepted and brought to a halt. Revolution is no permanent condition; it must not turn into an enduring situation." The chancellor made it clear, however, that democracy in Germany is a thing of the past and that henceforth a few strong and able individuals must rule every department of political life in the Fatherland.

Cotton Growers Agree to Cut

Secretary of Agriculture Wallace and George Peek, chief administrator of the farm act, are exceedingly pleased with the cooperation they have received from cotton growers in the matter of crop reduction. By July 8, the original time limit set to enter agreements to reduce acreage, cotton growers had signed contracts offering to plow up 5,566,169 acres of their growing crop. While the farm administrators were entirely satisfied with this response they extended by a few days the period for growers to sign contracts. So it was thought that the final figure would be well over 6,000,000 acres.

Mr. Wallace, at the present time, only intends to have about 3,000,000 acres of cotton plowed under. But he wants to be prepared to extend the destructive operations if later it is discovered that the present crop is larger than is now anticipated. The growers will be rewarded by being paid about four cents a pound more for their cotton, beginning August 1.

Drought Reduces Grain Crop

This year's wheat crop will be the smallest in forty years and the oats crop will be the smallest ever recorded in the United States, according to the Department of Agriculture. The devastating drought which has swept the Midwest has been responsible for the poor crops. In spite of the grain reduction Secretary of Agriculture Wallace is still of the opinion that farmers should be paid a bounty to reduce their acreage further. Otherwise, he says, with the large increase of the price of wheat, farmers will plant a great deal too much next season.

Lumber Code

The lumber industry has presented a code of fair competition to the Industrial Recovery Administration. The code proposes a national conservation program for timber resources, as well as a plan for control of production and prices. It provides a varied maximum workweek of forty, forty-four and forty-eight hours, the different schedules to apply to different types of workers.

General Johnson, the industrial administrator, said upon receiving the code: "A forty-eight-hour week is so long I wouldn't even consider it." Also he regarded the code's minimum wage provision of twenty-two cents an hour "far below what I regard as a necessary minimum wage."

Working for Disarmament

Arthur Henderson, president of the disarmament conference, will work strenuously during the summer months to bring about some kind of a working agreement on disarmament among the leading European nations. He hopes to pave the way for concrete action when the Geneva conference reconvenes in October. Last week, after conferring with Premier Daladier of France, he planned to visit Rome, Berlin, and other European capitals.



ARTHUR HENDERSON

On the other hand, Norman Davis, our chief delegate to the disarmament conference, has given up his plans to return to Europe this summer. He was to have conferred with the various governments of Europe on the disarmament question, but in the light of what has happened at the World Economic Con-

ference, President Roosevelt no doubt decided it was useless to have Norman Davis go abroad until fall.

Silver Plans Progress

The silver sub-committee at the World Economic Conference has reached a tentative agreement, according to its chairman, Senator Pittman of Nevada. A report to this effect was to have been made to the Monetary Commission several days ago. Senator Pittman said the chief plans worked out by his committee include a decrease in production of the white metal, especially in India, and also an increased use of silver, along with gold, for currency reserves. If these proposals are carried out, Senator Pittman is of the opinion that the price of silver will greatly rise, thereby giving more purchasing power to countries which have an abundance of silver. Although the French have been opposed to the consideration of monetary problems until stabilization action is taken, they finally agreed that the silver committee should continue its work.



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SEN. PITTMAN

1924-1925 Price Level

It is now reported that the administration hopes to equal the 1924-1925 price level in the near future. The following table taken from the New York Times on July 6 shows the extent to which prices must rise before achieving the administration's goal:

	1924-1925 average prices	July 5, 1933 prices
Wheat	1.47	1.15 1/4
Corn	.99	.74 1/2
Rye	1.022	.92 3/4
Oats	.49	.55
Flour	8.00	6.15
Lard	15.00	6.90
Pork	33.421	19.00
Steel	23.303	16.34
Lead	8.70	4.30
Tin	53.90	46.50
Copper	13.60	8.50
Cotton	25.40	10.25

Japanese Naval Program

Two weeks ago, Secretary of Navy Swanson announced the intention of his department to build up the United States Navy to a position "second to none." As if in answer to Secretary Swanson the Japanese government now declares its purpose of immediately launching a naval building program to bring the Japanese navy up to the maximum strength permitted under the London treaty. More than \$100,000,000 will be spent on new warships in that country.

Johnson Warns Industry

On the same day last week, General Hugh Johnson, administrator of the National Recovery Act and Attorney General Cummings issued warnings to industrial leaders that they must hurry in the adoption of fair codes. Industries, said General Johnson, should immediately increase wages and shorten hours so as to increase purchasing power among the masses to apply to already rising prices. Otherwise, Mr. Johnson declared, the goods which the industries are now turning out will not be bought, and overproduction will again result.

Mr. Johnson said that if various industries continue to lag behind in the adoption of fair codes, the recovery board, of which he is the head, may find it necessary to use the power of the new law to compel the hesitant industries to fall into line.

World Recovery

The Department of Commerce has compiled statistics showing that prospects for business recovery are not solely confined to the United States. In England, an increase in employment has been taking place for five consecutive months, reducing the number of men out of work to the lowest figure in two years. France, which

never had a great many unemployed, has been witnessing a pick-up in men returning to work for the last three months. Germany has lowered her total number of unemployed to the lowest figure since 1931. And similar reports come from Italy, Canada, and several South American countries. What could be a better barometer of economic improvement than men going back to work?

Roosevelt Urges Repeal

President Roosevelt has thrown his unlimited support behind the cause of prohibition repeal. In a telegram, a few days ago, to Leon McCord, Democratic National committeeman for Alabama, Mr. Roosevelt said that he was "100 per cent" for eliminating the 18th amendment from the Constitution. The president's announced stand on the prohibition issue came after he had been besieged with letters and telegrams from anti-prohibition leaders throughout the country, urging him to back the repeal plank in the Democratic platform. Mr. Roosevelt's support is expected to carry much weight in the several southern states which vote this month.

Diplomatic Posts Unfilled

One ambassador and thirteen ministers remain to be selected by President Roosevelt. It is rather unusual for this number of high-ranking diplomatic posts to be vacant four months after a president assumes office. Ordinarily these offices are the first to be sought by those who hold that they have claims on the leadership of a successful party. There is a reason, however, for this delay. Salaries paid to ambassadors and ministers are rarely adequate in meeting living expenses, for diplomats have to entertain lavishly. Therefore, due to the depression, it is much more difficult to find persons equipped for diplomatic service to whom money is not an item, than has been the case for a number of years.

Americans Leaving France

The drastic fall of the dollar abroad, which makes it much more expensive to buy foreign currencies, is dealing a hard blow to the French tourist business. Hundreds of Americans are leaving that country because of their increased costs of living. Then, too, a great many Americans who had arranged to visit France and other European capitals this summer have abandoned their plans to do so.

Educators Leave Chicago

The National Education Association annual conference which was recently held in Chicago, accomplished a great deal toward drafting educational plans for the coming year. A committee, which included John Dewey of Columbia University, one of the foremost liberal educators of the country, drew up ten goals to be achieved if the dream of a new American democracy is to come true. A society must be planned, declared the committee, in which people may develop free, cooperative, rich lives and act vigorously upon opinions which they have formed by means of trained intelligence and impartial information.

The committee sharply criticized unethical business practices. It said: "Recent amazing revelations of the connection of certain industrialists, financiers and organizations with practices inimical to public welfare, make clear the sinister power which may reside in vast accumulations of wealth."

States Seeking Federal Aid

Before any state can obtain grants from the federal government for relief, it must agree to share in aiding its destitute citizens. Harry L. Hopkins, emergency relief administrator, declares that certain states have asked for federal funds without making any state appropriations whatsoever.

Mr. Hopkins sent a telegram to Governor Laffoon of Kentucky a few days ago, informing the governor that he must call a special session of the legislature to provide a reasonable share of state funds for Kentucky's unemployed, before the federal government can make its contribution. Other states must do the same, says Mr. Hopkins, if they desire federal aid.



JOHN DEWEY

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THE EDUCATIONAL INDUSTRY

While industry in general is on the upgrade, one branch of industry, and a very important one, remains seriously depressed. This is the industry of education. The schools depend upon taxes for support. Educational expenses for the coming year must be met by this year's taxes and the funds are so scant in many states that the schools are seriously threatened. Teachers' salaries are being cut at a time when other salaries and wages are being raised.

Under the circumstances, should not this industry of education receive help from the national government? Should the government not make loans to states and municipalities for the support of the schools? Professor Paul Mort, director of the School of Education of Teachers College, argues for governmental assistance to education and declares that a million educators should be engaged to grow "the greatest economic product, education." Speaking of this suggestion the New York Times says:

It is argued that since the material goods needed by the world can be produced in shorter days and weeks, there is no question that we can set aside a million people to produce what is basically necessary to all other advancement, and that such an expenditure is a "safe investment" for the public. Even in economic values, as Dr. Mort, whose specialty is educational economy, says, it is profitable. As for human values, if we had a million highly qualified teachers, what is given them by the public could be designated a self-liquidating loan.

The National Industrial Recovery Act contains a provision for grants and loans for school buildings. This is a recognition in principle, as Professor Strayer has pointed out, of the federal government's "stake" in the education of all the children of the United States. But it is the teachers rather than the buildings that make for education. And the eternal debt of maturity to children is to be paid by employing those who are competent to transmit from one generation to the next what has been committed to it out of the race's experience. Our first provision should be for the service of this debt. When the states and cities are closing schools or shortening terms or increasing teacher-loads or lowering standards, the nation as a whole cannot be unconcerned. While the federal government cannot undertake to administer the schools, it may, without relieving the states of that function, help them to perform it adequately.

A million "educational producers" should in this field be able to do more for America and the world than a million producers in any one other general domain of vocational or professional activity.

To Increase Purchasing Power

While rejoicing in the certain evidences of industrial recovery thoughtful persons are concerned about the failure of purchasing power to keep pace with increasing production. The Cleveland Plain Dealer calls for a speed-



RUGGED INDIVIDUALISM GETS AN EARFUL

—Kirby in N. Y. WORLD-TELEGRAM

ing up of the public works program in order to put more money into the hands of the people:

There is one important factor certain to encourage speed in the public works program. That is the continued failure of wages and employment to keep pace with production and commodity prices.

How greatly they lag is evidenced by the fact that while industrial production gained 35 per cent from March to May, wages advanced only 7 per cent and industrial workers' purchasing power remained at 56 per cent of 1929. Since May there have been many wage increases, matched, however, by an advance in living costs which is beginning to press hard on workers whose pay has not yet been raised and which is also pushing up the expense of relief.

The need for a rapid advance in national purchasing power through widespread reemployment at adequate wages is universally conceded.

Hitler Tyranny

The Baltimore Sun makes this comment on a recent exhibition of Hitler tyranny:

It is typical of the arrogance as well as the stupidity of the National Socialist movement in Germany that it sees nothing inappropriate, not to say indecent, in ordering German Protestant pastors and theological students to join the Nazi movement or lose their jobs. There has been a good deal of criticism of Russia and Mexico for their methods of dealing with religious bodies. But it must be said for them that they never went to the lengths of compelling an allegiance of their natural enemies.

This latest decree, one hears, was more than Hindenburg could swallow willingly. It was more than any ancient Caesar ever required during the periods of fiercest persecutions. Even the Emperor, Diocletian, did not demand of the early Christian martyrs that they become imperial Christians. He had the grace to throw them to the lions and leave it at that. Herr Hitler must needs destroy their church and then add the final insult of insisting that they become Nazis, a standard higher (in Nazi eyes) than that set for business men who, Herr Hitler instructs his followers, must be given some play for their abilities, be they members of the Nazi racket or not.

A Roosevelt Inconsistency

The Hartford Courant endorses the recovery program of the Roosevelt administration but it makes this very effective criticism of the job reduction and wage slashing which has been carried on in the government departments.

The program did not spring full grown into existence and in consequence there are certain paradoxes in the attitude of the government. For instance, at a time when the administration is bending every effort to induce or force private industry to increase its number of employees it has dismissed some 8,000 federal employees. At a time when the administration is demanding an increase in wages generally, its own employees are trying to live on salaries that have been reduced a minimum of 15 per cent and in some cases, notably the Post Office Department, as much as 25 per cent. To be sure, the federal government has been over-staffed and there was a drastic need of reducing the expenditures in the "normal budget"; nevertheless, in some measure, the government is evidently defeating its own ends by its treatment of its employees.

Assisting Recovery

The Cincinnati Enquirer calls attention to a movement whose purpose it is to stimulate optimism among the people as a means of encouraging economic revival. This stimulation is to be effected by processes similar to religious revival. The Enquirer has other ideas as to the psychological needs of business:

Recovery will proceed as rapidly as the facts of economic life permit. Increase of purchasing power as it is made possible by higher security and commodity prices and better wages, is doing its work. Public works enterprise and the plans to curb unfair competition are tangible and positive methods of inducing improvement. The manufactured optimism of the Hoover administration shows how disastrous can be the outcome of misrepresentation as a foundation of economic progress.

The greater need today appears to be an enlightened skepticism, under which men will act from sound economic motives, not from sentiment. Business men can be expected to ally with the National Recovery Administration because it is sound policy. Consumers will buy when their purchasing power is improved and when they see higher prices looming ahead.

That we need a more adequate machinery for explaining to the public the operation of the new devices of recovery is very true. A corps of speakers and writers to explain and interpret the new deal is desirable, provided they stick to facts. But a crusade based on religious fervor, selling manufactured optimism to the people is something we do not need. The facts today warrant optimism. There is no better foundation for a wholesome public attitude.

Japan and America

The New York Herald Tribune has this to say of Roy Howard's report on Japan and of her impressions of America. Mr. Howard's conclusions are interesting in the light of the fact that the papers he represents have opposed the maintaining of a large navy of the United States.

Mr. Roy W. Howard, chairman of the board of the Scripps-Howard newspapers, returns from the Far East, fresh from an audience with the emperor of Japan, interviews with leading Nipponese statesmen and a general tour of observation in China and Manchuria, with the message that our best move for peace in the Pacific is to build the American fleet up to treaty strength without unnecessary delay.

Japan, Mr. Howard says, is not prepared to accept foreign concepts of idealism. The American concept, as every one knows, has been to reprove Japan for violating treaties, while permitting our navy to lapse into third place. Mr.



HOW IN THE WORLD DID SHE GET IN WITHOUT OUR SEEING HER?

—Darling in N. Y. HERALD-TRIBUNE

Howard is to be congratulated upon his frank analysis of our position in relation to the Pacific, especially since the considerable chain of newspapers which he controls have editorially leaned toward idealistic, if not pacifistic, principles in the face of Japan's rape of the Kellogg pact and the nine-power treaty and her withdrawal from the League of Nations.

Japan, says Mr. Howard, gives us no credit for voluntary reduction of armaments and believes we are "too penurious to fight." Hence peace in the Pacific is endangered. Moreover, Mr. Howard believes that if we build our navy abreast of its treaty quota Japan will be more willing to scale down her naval armaments, but not before. In this we heartily agree with him.

Unfortunately, civilization has not yet ripened to the stage at which nations with nationalistic missions consider the consequences; unless the consequences are likely to be realistic. Japan occupied Shanghai and Manchukuo progressively in derision of world opinion. She violated treaties and in defiance of almost universal world opinion stood her ground as a minority of one at Geneva and resigned from the League. Since that episode Japan has let the world know that, contrary to reducing arms, she wants more naval tonnage, larger land guns and larger tanks.

The best guaranty of peace in the Pacific is an American navy second to none. Americans would like to be idealistic. But others do not understand.

Dealing With Kidnappers

The Washington Post, which was recently purchased by Eugene Meyer, former governor of the Federal Reserve Board, calls for drastic action by the federal government to deal with the vicious practice of kidnapping:

Two more kidnappings, one in Illinois and the other in New York, serve notice on the public and the government that gangsters are rapidly developing a new and terrible régime of crime. By utilizing modern facilities of communication and transport and by shrewd selection of victims the gangsters are making huge profits out of kidnapping. In several notable recent cases the criminals collected heavy tolls and easily evaded pursuit by state and federal officials. . . .

It is well-nigh impossible for kidnappers to confine their operations within a state. All methods by which the federal government can pursue them should be employed. Senator Copeland is authority for the statement that the subcommittee of the Senate now inquiring into racketeering has found that 87 machine guns were in private hands, and that three of the guns were made in New York. Thousands of pistols are imported, besides additional tens of thousands manufactured in this country. Efforts will be made to locate machine gun factories.

Assistant Attorney General Keenan, who is undertaking the task of running down gangsters, is convinced that highly intelligent and well-financed criminals are directing the conspiracies that make a mockery of both federal and state laws. Some of the kidnapping cases reveal that the perpetrators are keen organizers and planners. Their operations extend over many months of preparation, and the "getaways" are shrewdly executed. In order to break up these gangs it will be necessary for the government and the states to set up far more effective detection agencies than those now provided. The people of the United States are victims of a new and diabolical crime system, and they must have better protection.

America's economic conference delegates have at last touched a lower official level than being Vice-President.

—Indianapolis STAR

The "brain trust" is one trust which was not designed to operate in restraint of trade.

—Nashville BANNER

If the economic conference lasts long enough the American delegates should be able to acquire a first-class British accent.

—Indianapolis STAR

Any time you run across a bruised and lacerated theory, set it down that it has been in collision with the fact.

—Toledo BLADE

Rugg Drafts Project for Better Society

Columbia Professor Says Permanent Economic Planning Is Essential to Abolish Poverty

"THE GREAT TECHNOLOGY," by Harold Rugg (New York: John Day, \$2.50) treats with some of the most fundamental problems which must be faced in the immediate future. The author is of the opinion that the difficult period through which we are passing is more than merely a business cycle. He believes it to be the end of an epoch.

Before charting the course which he deems necessary to build a new social order, Mr. Rugg quotes from and interprets the leading plans which have been set forth in the last few years to build a better society. Additional chapters on "The First Industrial Revolution," "The Second Industrial Revolution," "The Problem of a Designed Economic System," "Leisure, Labor and Art," "Education and the White Collar Class" and "Education for the New Social Order" indicate the scope of his work.

The main philosophy of Mr. Rugg's book is that a standard of living at least ten times higher than that of 1929 could be reached if machinery, at its present stage of development, were properly managed and applied. To bring this about, he says, a campaign of education must be carried on among the people in order to organize a strong minority of opinion in favor of a planned society, as opposed to the highly competitive and anarchic economic system which has ruled supreme in the past. Under a planned society, he declares, economic insecurity could be permanently obliterated and labor could become a pleasant experience for all. The Roosevelt administration's present policy points in this direction, but whether it will be permanent and more far-reaching depends upon the public mind, which must be educated to the new state of affairs.

Mr. Rugg is unusually equipped to write this type of a book. He is one of the leading educators of the country—now teaching at Teachers College, Columbia University. He is also known as an expert engineer.

Romantic Tradition

New Orleans, Its Old Houses, Shops and Public Buildings, by Nathaniel Cortlandt Curtis. Philadelphia: Lipincott. \$3.50.

THERE are a few cities in the United States which have retained a certain romantic flavor ill adapted to the country's hurried, mechanized way of life. But, unfortunately, even these oases are gradually disappearing under the painful poundings of progress. The *Vieux Carré* in New Orleans, for example, the old French quarter

which has for many years endured as a bit of Europe transplanted, is feeling more and more the ravages of the machine age and will in time probably fade away and be imperceptibly merged with the rest of the city, thriving and modern.

Yet, today, there is enough left of the quaint quarter of that early French settlement to make it one of the most alluring spots in the deep South. Old buildings, courtyards, funny narrow streets and wrought-iron gateways are still remaining as relics of a certain and half-forgotten past. These are well described by Nathaniel Cortlandt Curtis in this book about the time-battered houses, shops and public edifices of New Orleans. Mr. Curtis' paragraphs are not all that could be wished for from a stylistic point of view but they are informative and are accompanied by numerous attractive illustrations.

Facts on Mob Murder

The Tragedy of Lynching, by Arthur Raper. Chapel Hill, N. C.: Univ. of N. C. Press. \$2.50.

THERE were 3,724 lynchings in the United States from 1889 until the end of 1930. The number of mob murders registered annually has been gradually declining, however, and where around 1900 the yearly total was anywhere between 100 and 250, it was only 21 in 1930. Considerable progress has therefore been made in stamping out this evil which is almost exclusively characteristic of the South where it is directed mainly against the Negro.

In an effort to determine the underlying causes attending these sporadic lynchings, Dr. Raper has made an exhaustive examination of the 21 cases occurring during the year 1930. His investigations have led to the formation of valuable conclusions and he has uncovered many economic and psychological factors which should contribute much to the campaign against this blight on our civilization.

Thirty Years a Wanderer

Yonder Lies Adventure, by E. Alexander Powell. New York: Macmillan. \$3.00.

COLONEL POWELL has spent thirty years adventuring on four continents, and during the course of that time has written twenty-odd books which fall into four categories—travel and adventure, history, the Great War and world politics. Some of these classifications seem to overlap but that is the way they are listed. The biographical blurb on the jacket of his latest effort describes him as having at one time been a war correspondent and at another a consular officer in Asiatic Turkey while the Red Sultan reigned. He has "been waylaid by brigands in the Apennines," has crossed "the Himalayas by elephant, Western Asia by caravan and the Sahara by six-wheel motor car." He has even "played pool with the Sultan of Zanzibar," during the course of his nomadic career.

Now, after so many years spent in wan-

dering, Colonel Powell has settled down in his Maryland home which he calls "Journey's End" and has written the story of his life. One suspects that the autobiography is written for the particular benefit of the colonel's own descendants and other near relatives, judging from the hundred pages or so of details concerning his early life and various ancestors. His later exploits are, moreover, carefully and impressively delineated. But, withal, Mr. Powell has brought together an abundance of interesting information about the many countries through which he has at one time or another traveled. Much of his time was spent in the Near East, and he writes fairly interestingly of much of what he saw and did in that part of the world. One cannot help but feel, however, that a better book could have been written with the material Colonel Powell had in hand.

Oliver La Farge, author of the widely acclaimed "Laughing Boy" which won the Pulitzer Prize in 1930, has written another book, "Long Pennant," scheduled for fall publication. . . . Seventy-five thousand copies of Hervey Allen's "Anthony Adverse" were sold within the first two weeks. . . . T. S. Stripling's "The Store" is being translated into Spanish. . . . The



—Photo by De Cou, from Ewing Galloway

THE STREET CALLED STRAIGHT IN DAMASCUS, SYRIA
Colonel Powell spent many years in the Near East and has written of his adventures in that part of the world.

first two volumes of Lloyd George's war memoirs will appear in October and November. There will be four volumes in all. . . . *Publisher's Weekly* recently made a survey of book shops to determine what type of books sell best. It was found that the better novels and more serious non-fiction works have the most ready customers. Light love stories and mysteries are usually borrowed from circulating libraries instead of being purchased outright.

FROM THE CURRENT MAGAZINES

"World Mineral Production and Control" by Foster Bain, *Foreign Affairs*, July.—Minerals, which are so essential in time of war and which play such a vital role in the complex fabric of modern life, are distributed very unequally among the nations. No single nation has a sufficient quantity of all minerals. And in most cases, the greatest part of the production of a particular mineral comes from only a few countries. Very often two or three countries produce 95 per cent or more of the whole output. For instance, Spain, Italy and the United States produce 95 per cent of the world's supply of mercury; China, Great Britain and the United States produce 95 per cent of all the tungsten; the United States and Norway produce all the molybdenum, and the United States and Great Britain produce all the vanadium. The United States is fortunate in having a more adequate supply of minerals than any other nation. We and the British Empire produce and control the great bulk of the mineral wealth of the world.

"Recovery! Can We Depend on It?" by Joseph Stagg Lawrence, *Review of Reviews*, July.—The fact of economic improvement is unquestioned. What are the chances, however, of its permanency? Will it lead to prosperous times or will we slide back into depression as we did in the spring of 1930, in the early fall of 1931, and in the late summer of 1932? Every factor seems to point toward a permanent recovery. First there are the tremendous natural forces which always come to the fore after several years of depression. Shelves are empty. Millions of people have long gone without any kind of luxuries because of the fear as to how long the depression would last. Now with confidence restored, they are again entering the purchasing market. Moreover as the unemployed go back to work, which they

are doing by hundreds of thousands, new demands will be created. All this is to say nothing of the national government's program to bring back prosperity. This program has hardly begun to get under way, so with all these forces at work, unless some unforeseen complication enters the picture, permanent recovery appears to be inevitable.

"Is Television Ripe for Picking?" by T. Coulson, *Forum and Century*, July.—When people discuss the possibilities of new industries that may be responsible for starting us off on another era of prosperity, television is most always mentioned early in the conversation. Little do these people realize how remote the chances are that television will soon come into its own. Public demonstrations have shown that this apparatus has not even passed the experimental stage. It is too complicated to be manipulated by anyone without a great deal of training, and even after it is perfected it will take several years to train a great body of men with adequate engineering ability to service television sets throughout the country.

"The Davis Cup, This Month's War" by John R. Tunis, *New Outlook*, July.—Thirty-three nations started out this spring in a struggle to capture the Davis Cup. The finals will soon be played, with France defending her title for the cup. Unfortunately, it can no longer be said that the various tennis associations throughout the world are managing an amateur game for amateur athletes. The entire French Davis Cup team, with one exception, is supported by a leading European manufacturer of tennis balls. Also, the players on our team, as well as most all foreign teams, are paid in one way or another for their services. Hence the games have been placed on a strictly commercial basis. Amateur sportsmanship has been superseded by Big Business.



—Courtesy Schwartz Galleries, New York

THE VIEUX CARRE, OLD FRENCH QUARTER OF NEW ORLEANS
(From an etching by H. Devitt Welsh.)



AFTER sixteen months of trying for an agreement, the disarmament conference stands adjourned again and will not reconvene until October. So far, all the talking which has been heard at Geneva, all the open and secret negotiating which has been carried on, all the plans which have been announced and all the reports which have been made have amounted to nothing. The nations are no nearer accord on the problem of armament reduction than they were February 2, a year ago, when the conference first met. The meeting has dragged on month after month in pitiful impotence, and few believe that there is any reason to hope for an improved situation by October.

If anything, the nations are less inclined to consider arms reduction than ever. Germany is seething with resentment over the refusal of France and other continental nations to disarm to her level, or, in the absence of that, to permit her to rear to theirs. France, mindful of a militantly nationalistic Germany under Hitler, and ever suspicious of Mussolini, remains resolved to keep herself powerfully armed. Italy, jealous of France, waits only for the day on which she makes herself as strong as her powerful neighbor. Poland, panic stricken by Hitler's saber rattling in the direction of the Polish Corridor, is determined to be ready to defend the territory she won by the war. Japan, having gulped up Manchuria and still taking bites out of China proper, announces that she must have a stronger navy as soon as the London Naval Treaty expires in 1936. Great Britain, uneasy over all these manifestations of ill feeling, steadfastly guards her sea power, and the United States, uncomfortable over her small navy, prepares to launch a large building program to bring it up to the London treaty limits.

To many people in this country it seems incomprehensible that the nations should be so unwilling to reduce their armaments. No nation, certainly, can be hoping for a repetition of the catastrophe of 1914. No nation can be happy to spend millions upon millions of dollars each year in order to compete with its neighbor's fighting strength. Then why do they not agree to disarm? On the surface it seems simple enough. How often do we hear the argument, "the way to disarm is to disarm!" And, it is pointed out, the United States has always been willing to go as far as any other in reducing armaments, even down to scrapping the last ship.

But the fact that the world is now engaged in its fourth disarmament conference since the war indicates that there must be something more to the problem than suggested above. If it were as simple as that, the nations would have long since abandoned their armaments. As it has happened, however, little progress has been made toward even a small reduction in armaments during the fifteen years which have elapsed since the termination of the war. Let us look briefly at the record. The Washington Arms Conference of 1922 resulted in an agreement among the United States, Great Britain, Japan, France and Italy to limit the number and tonnage of their capital, or battleships. This was something accomplished as far as sea armaments were concerned. The Geneva conference of 1927 was ill prepared and could do nothing at all. The London conference of 1930 prescribed certain limits for the cruisers, destroyers and submarines of the United States, Great Britain and Japan. France

The Difficulties Underlying Arms Reduction

By David S. Muzzey and Paul D. Miller

and Italy, jealous of each other, could not agree, and to protect herself Britain reserved the right to go beyond treaty limits in case either or both of these continental powers should begin to increase armaments. Finally, the world disarmament conference met in February, 1932. It was intended to bring about a limitation and, it was hoped, a reduction in all classes of armaments—land, sea and air. But nothing has been done.

And to make the picture more vivid, we find that the nations of the world, today, are really more heavily armed than they were in 1913 when Europe was on the brink of war. Approximately 6,000,000 men throughout the world are in military service, and the total annual military expenditures of all nations amount to about \$5,000,000,000. (This figure includes the payment for past wars as well as the preparation for possible future ones.) The major powers are devoting from 60 to 70 per cent of their normal budgets to military expenses in one form or another.

The argument, thus, that the best way to disarm is to disarm, has very evidently not applied. And the reason it has not is that such an argument is based on purely moral considerations. People have not realized that disarmament is a political issue rooted to hard political realities. This is well set forth by Frank H. Simonds in his recent book, "Can Europe Keep the Peace?"

Failure of all efforts to bring about an in-

ternational adjustment of the problem of armaments has been due primarily to the fact, little perceived in Anglo-Saxon countries, that armaments are but a subordinate detail in the far larger question of peace. In reality, armies and navies alike are only the means by which national policies are carried out. Thus, all reduction of military and naval forces waits upon a prior adjustment of the policies of nations. And since, up to the present time, the policies of Continental peoples remain irreconcilable, disarmament conferences have led promptly and fatally to a collision of these policies.

It must be borne in mind, as Mr. Simonds points out, that armaments are not in themselves the real problem but only the manifestations of a problem. They are not the disease but the results of disease. The basic issue is the political and economic instability of Europe. Once these are cured it will be easy to reduce armaments. But so long as Europe remains politically uneasy, to talk of disarmament is to talk into the wind.

A brief glance at the political construction of Europe will bring out the truth of the above statement. France, standing at the head of the continental nations, remembers that twice she was invaded by an enemy which she still distrusts acutely. She knows that Germany is anxious to regain her former power, and is aware, moreover, that Mussolini is ambitious to make Italy as strong as France and will snatch at any opportunity to do so. The French are constantly mindful that at any time they might have to compete with the strength of these two rivals. They therefore insist on maintaining a military establishment equal to the strength of their two neighbors.

When asked to cut down their armaments, the French have pointed to this situation and have stated that only on one condition can they agree to do as requested. The condition is that they must be assured of security. They must be guaranteed that if they are attacked they will be protected by either Great Britain or the United States, or better yet, by both. Briefly, they want a security pact by which the *status quo* of Europe can be insured. For fifteen years France has not budged an inch from this position.

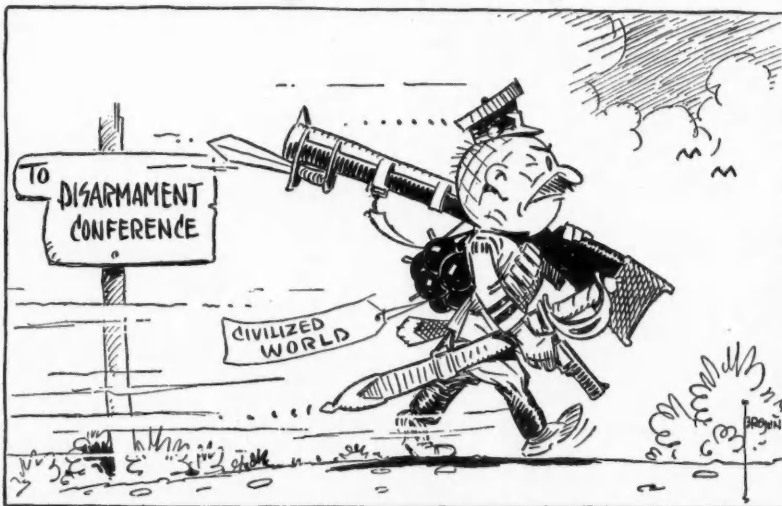
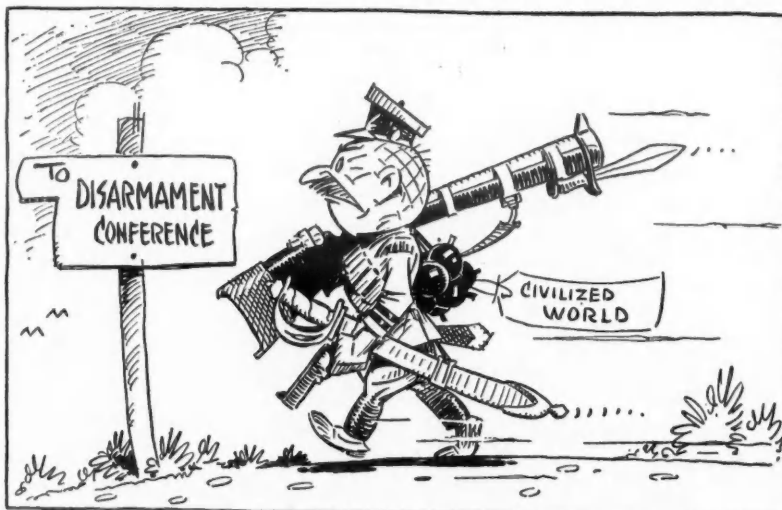
Problem of Security

Great Britain and the United States have been unwilling to give the French the security they ask. Both fear to be drawn into the quarrels of Europe, and do not wish to be committed to any course of action. True, President Roosevelt has offered to consult in case of trouble, and has said that this country would not interfere with any concerted action to punish an aggressor, but this does not satisfy the French. They want an active promise of concrete assistance in case they should be attacked.

France, therefore, feels that she must continue to provide her own security, and remains heavily armed. She can have little faith in the power of the League of Nations or in the various peace pacts which have from time to time been signed. Japan has eloquently demonstrated the manner in which such agreements can be disregarded. And what has been said of France is equally true of Poland, of Czechoslovakia, of Rumania and of Yugoslavia. They all fear that the nations which lost the war will some day rise to attack them and that they must be ready to resist the onslaught. Naturally, Germany, Austria, Hungary and Bulgaria are glad of any disarmament. Their arms were cut down to extremely low levels after the war, and any reduction in the arms of their rivals brings a greater state of equality. This equality is what they passionately desire. Without equality their national pride suffers and they are thus engaged in a campaign to break down the peace treaties. And Italy, while one of the victorious nations, hopes also for disarmament. She cannot keep pace with France in armaments building, for she has neither the money nor the resources. But she wants equality, and arms reduction in France would be a nice way for her to obtain it.

This, briefly, is why the nations of Europe will not reduce their armaments. Political problems are so great and have given rise to such intense rivalry that there can be no real progress in Geneva until those problems have been settled. It is not enough to say that if all the nations would cut down their armaments at the same time they would not have the weapons with which to fight and thus there would be no danger of war. This may be true, although if one is disposed to fight it is not hard to find some implement to fight with. But who would throw a gun out of the house knowing that a neighbor was only waiting for a chance to creep in and steal some of the furniture? Such is the problem of Europe. The United States has some difficulty in understanding this because, being remotely situated, it does not have to fear aggression from a neighbor. But, it must be pointed out, we insist on maintaining at least a paper parity with Great Britain, and it is certain that we shall not allow Japan to get ahead of us in naval building in 1936.

Fight for Equality



AS USUAL

—Brown in N. Y. HERALD-TRIBUNE



THE LONDON CURBSTONE CONFERENCE

—Fitzpatrick in St. Louis POST-DISPATCH

London Conference Delays Adjournment

(Concluded from page 1)

ized this. They did not want the whole world saying that statesmanship was bankrupt and that every time delegates met they did more harm than good. This is what would have been said had the conference been allowed to fail. Moreover, when anything goes amiss internationally there always is an attempt to fix the blame on some particular party. If a conference is wrecked, some nation, or some group of nations, is always blamed for the break-up. This is a heavy responsibility and a country will do all in its power to avoid being so accused.

Therefore, in order to avert collapse, which would have been a bad political blunder, the delegates in London indulged in what is commonly known as "face saving." They began to maneuver, to evade, to postpone and thereby keep the conference going until they should be able to bring it gracefully to a conclusion with agreement, perhaps, on a few minor matters. When the conference eventually does end the delegates will have been careful to create an atmosphere which will permit them to congratulate themselves on the good work accomplished. It is the way of all conferences.

Agenda Out of Date

In the case of the London conference the delegates postponed adjournment by asking that a new agenda, or program, be drawn up. And such a procedure was not entirely without logic. The original program for the conference was drawn up by a group of experts last January. At that time the United States was still on the gold standard and was anxious that other countries which had abandoned the standard return to it. It was almost everywhere believed that the sooner the gold standard were reestablished everywhere the better it would be for the world. Accordingly, the agenda was prepared with this end in view and currency stabilization was declared an essential first step to a return to gold.

But on June 12, when the conference convened, an entirely different situation prevailed. The United States had abandoned the gold standard and had started on a deliberate program to depreciate its money as a means of raising prices. This country had no idea of returning to the gold standard for some time. It wanted the dollar to decline in value. Obviously, therefore, the agenda could not apply to such a situation. It was impossible to discuss a program which had been prepared to cope with a different state of affairs. The conference tried to begin its negotia-

tions on the basis of the old program and soon found itself up against a snag. No progress could be made. The delegates soon found themselves divided into two blocs or camps. On the one side were France and practically all the other countries in continental Europe which wanted to uphold the gold standard and were anxious to discuss on the basis of the original agenda. On the other was the United States, which was determined not to defend the gold standard. Leaning toward the American point of view were the British Empire, the countries of South America and

Scandinavia, Japan and China. They were much less anxious about the gold standard than were France and other European countries. These latter countries had nearly all passed through a period of inflation since the war and their people dreaded a repetition of such an event. France, for example, had seen the franc depreciated by 80 per cent and did not want the remaining 20 per cent touched. With other nations it was the same. They insisted that they must remain on the gold standard and that other countries must help them to do so by stabilizing currencies.

The clash between these two groups was so violent, the difference so irreconcilable, that the conference was faced with only two alternatives—adjourn or compromise drastically. For a time it seemed that adjournment would take place, but, as we have seen, when the actual moment for taking a decision arrived, the delegates found themselves more ready to compromise. Both sides made concessions and the meeting was kept alive by asking for a new program.

"Safe" Program

A so-called safe agenda was drawn up containing only such topics as could be discussed without offending either camp. The gold group ceased making threats that unless currency stabilization were discussed they would abandon the conference and the opposite group agreed not to try to force discussion of subjects distasteful to the gold group. There was general consent that the economic committees would only consider such questions on which it was unanimously agreed progress could be made, and that the monetary committees would take up such technical matters as international private debts, coöperation among central banks and silver. Under this compromise all discussion of tariffs and currency stabilization was ruled out. The first was barred from economic committee deliberations by specifying that there must be unanimity of consent—which there certainly cannot be with unstable currencies—and the second was deliberately omitted from the monetary committee agenda.

Everyone in London was happy over this arrangement. It was realized that the conference could proceed for several weeks discussing these minor subjects, and that then it would be in a position to recess for several months. It was hoped that the meeting would be able to convene again in September and October and that at that time the situation would permit the discussion of currency and tariff problems. The belief prevailed that by fall the United States will know more clearly what its currency policy is going to be, and Great Britain will be in a position to decide on her own course of action. Neville Chamberlain, British chancellor of the exchequer, stated in the House of Commons that there was unity of purpose between the United States and Great Britain. This was taken to mean that Great Britain was anxious to follow the United States in the movement to raise prices.

Raising Prices

President Roosevelt has been encouraging a world-wide program to raise prices as a vital step in restoring prosperity. But how to accomplish this is another question. There has been talk about huge public works construction in many countries. This would give work to additional people and would create markets for many different kinds of products. There would be a demand for materials which would tend to boost prices. But the difficulty here is that all countries cannot afford to spend heavily on public works. They do not all have the borrowing capacities of the American government. Another way of helping achieve the desired end is through currency manipulation or inflation. But practically all continental European countries are set against this, mindful of their sad experience a few short years ago. There has been discussion of other methods, but so far no country outside of the United States has embarked on a deliberate plan to raise prices.

Nor is it likely that any will make the attempt until it becomes more apparent that President Roosevelt's program is really successful. Other countries are following developments in the United States very closely. They are observing the rapid upward trend in prices. They also witness the course of our inflation and will be interested to see how we go about stopping it when the proper time comes. Once they are assured that the action we have taken is safe, they may then think of applying that action to their own countries. Great Britain seems more disposed than any to follow in our footsteps. But she remains hesitant, and will probably be satisfied for some time just to keep an eye on us.

The fact that the world is marking time awaiting the outcome of the experiment in the United States is really the principal reason for postponing the debate of important issues at the London conference. It may be that in a few months the delegates will be able to convene and actually get down to business. If the situation is not clearer by fall, it is likely that the meeting will be further postponed. In the meantime, however, the London conference will not be entirely dead. There will be much quiet discussion among committee members and delegates. It is in such talks that real work is accomplished. Large conferences are only useful to ratify the decisions which have been taken privately beforehand. They are too cumbersome, too public, to function in any other manner. Thus, when the nations have made up their minds with regard to the measures they wish to adopt, they will probably convene the conference again and proclaim them with the usual flourish.

THE FLYING COLONEL

Colonel Charles A. Lindbergh and his wife have flown to Greenland to determine for the Pan-American Airways, with which Colonel Lindbergh is associated, the feasibility of a northern route to Europe. Scientific surveys of weather and flying conditions in this northern region have been made during the last few years. The colonel and his wife will examine further the practicability of a passenger and mail route between Greenland and Europe.

Shortly before announcing their proposed air journey, it became known that Mr. and Mrs. Lindbergh had decided that their home, which is just outside of Hopewell, New Jersey, should be used as a child welfare center. It will be known as High Fields and will be operated by a non-profit corporation. Its purpose is to "provide for the welfare of children, including their education, training, hospitalization or other allied purposes, without discrimination in regard to race or creed."

FRANCE RAISES TARIFFS

The tariff truce which is supposed to be in effect until the World Economic Conference adjourns, has not hindered France. Just before adjournment of the French parliament last week, a bill was rushed through which increased the existing tariff rates from 30 to 150 per cent over a large variety of imports. Although most of these tariff increases are in retaliation to the recent rise in German duties, a large number of United States exports to France are also affected.



LORD MAYOR OF LONDON ENTERTAINS CONFERENCE DELEGATES
Social functions play an important part in all international gatherings. As much work is frequently done over a dinner table as in committee meetings.

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Behind the Scenes in the Nation's Capital

Department of Justice Plans War on Racketeers. Joseph B. Keenan of Cleveland Appointed Special Assistant to Attorney-General Cummings. "Hard-Boiled Lew" Douglas Plans Real Government Reorganization.

By Observer

Uncle Sam is going after the racketeers. While seeking to set in motion constructive economic forces, the federal government simultaneously hopes to eliminate the racketeers whose plundering on legitimate business is estimated to amount to many hundreds of millions of dollars annually. Besides the known activities of criminal groups centering in such cities as New York, Cleveland, Chicago, Kansas City, St. Louis and San Francisco, there are many other forms of rackets not so popularly known, but which exact tremendous tributes from business, industry and labor unions. Since the World War, and especially since the advent of prohibition, this form of peace-time piracy has grown from year to year, until the government has been forced to take formal cognizance of its overshadowing threat.

Joseph B. Keenan

After carefully surveying the field, Attorney General Homer S. Cummings has named Joseph B. Keenan of Cleveland as a special assistant to handle the racketeering drive. Although Mr. Keenan, for obvious reasons, cannot outline his plans in detail, he says that his main objective will be against "gangland leadership."

"If you strike at gangland leadership," he says, "and stamp that out, you are on the way to breaking down the whole gang system. Besides laying low that leadership, you must get at the source of their huge, illicit revenues."

The battle against racketeering is especially timely right now. Government officials have discovered an effort by gangsters to dominate the beer industry since the return of the 3.2 beverage, and many instances of permits being issued to breweries controlled by gangsters have been discovered. Moreover, in anticipation of repeal of prohibition, which has been a fruitful source of revenue, racketeers are turning to other fields. They are sabotaging industry from coast to coast, forcing employees and employers to pay tribute, not only for the right to continue in business, but for the right to live. Federal officials also feel that the tremendous increase in the crime of kidnapping prominent persons is nothing but a new form of racketeering. Unless struck down now, it is feared that these new phases of racketeering will become even more dangerous to national and individual life than they have been in the past—which is saying a good deal.

Criminals and racketeers are no new subjects to Lawyer Keenan. During the crime wave that engulfed so many cities in the early post-war years, he was named by ex-Governor James M. Cox to investigate conditions in Cleveland and other Ohio cities. His investigation dug so deep into the causes and extent of crime that one result was the formation of the Cleveland Foundation as a means of studying how to combat the conditions that make for crime and criminals. Prof. Raymond O. Moley, now assistant secretary of state and head of President Roosevelt's Brain Trust, became director of the Foundation, and came to know Mr. Keenan well. In fact, the latter's present appointment is believed to be traceable to his former

friendship with the presidential adviser.

Mr. Keenan has a fighting face. He has a square jaw, heavy jowls and small, piercing eyes, though his expression of aggressiveness and determination is softened somewhat by a cleft in his chin. He speaks boldly and bluntly, and has deep-set convictions. He is held in high repute for his legal knowledge, especially in the particular field of work in which he is now engaged.

He is another former soldier summoned to the battleground of the "new deal." Like General Hugh Johnson, national recovery administrator, he plugged along with the cavalry on the Mexican border before the World War. In that conflict he served as a first lieutenant of Field Artillery, and was cited by both General John J. Pershing and the French government. A native of Pawtucket, R. I., he was graduated from Brown University, and studied law at Harvard Law School. After his military service, he settled in Cleveland, and made his name and fame in that city. He is forty-five years old, and has four children.

Cummings Heads the Fight

Although knee-deep in other duties, such as prosecuting gold hoarders and violators of the National Recovery Act, Attorney General Cummings will supervise Lawyer Keenan's offensive against gangdom. From the moment he took office Mr. Cummings has directed his attention to the problem of racketeering; it seemed as if this new and virulent poison in the American system grieved his orderly Yankee spirit. In any event, he gave more attention to this problem than did his recent predecessors, and it is he who inspired the selection of a special assistant to handle it.

Mr. Cummings is a tall, shrewd, slow-spoken and slow-moving Nutmegger from Stamford, Conn., where he headed a large law firm and served as contact man with important clients. He has been in politics all his life, and was at one time chairman of the Democratic National Committee. His diplomatic talents are seen in the fact that, despite the turbulent history of his party for the last twenty years, he landed on his feet when President Roosevelt entered the White House. It was planned to send him to the Philippines as governor general, but he was named attorney general following the death of the late Senator Thomas J. Walsh, who was originally ap-

pointed to that post. Despite contrary rumors, it is generally understood that Mr. Cummings will continue in that post through the Roosevelt administration.

Mr. Cummings is getting quite a thrill out of official life. Though he heads a department more active than it has been in years, he never loses his head. He thinks a long time before answering questions or making decisions, examining all sides of a problem. His conferences with the press are informal, delightful affairs. Gifted with a quiet, Yankee wit, he seems to enjoy sparring with the newspapermen. At the same time he produces a great deal of news, discussing the department's affairs with the utmost frankness. He is a



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close friend of President Roosevelt, who frequently phones unexpectedly to ask "Homer" to come over for a swim in the new White House pool or a week-end cruise down the Potomac River.

Government Reorganization—At Last

For years Washington has heard talk of government reorganization as a means of bringing greater economy and efficiency. There were elaborate investigations of the subject during the Harding, Coolidge and Hoover administrations, and numerous proposals for merging and abolishing some of the departments and bureaus and agencies which compose the federal government. For one reason or another nothing ever came of them, and it remained for a young, snappy, swarthy-skinned man from Arizona—Budget Director "Lew" Douglas—to take the first real steps toward rearranging Uncle Sam's domestic household. Within a few weeks it is expected that the work will be well under way, and that the ship of state will be much more shipshape than it has been since its almost unbelievable expansion during and since the World War.

The subject has been a hobby with Mr. Douglas ever since he arose in the House a few years ago to demand that needless expenditures be reduced, and the budget

balanced. Although a comparative youngster, he was listened to with great attention. He knew his subject, discussed finances in an interesting way, and seemed to entertain no fear that his demand for ruthless economy might hurt him, politically. If ever a single speech "made" a man in recent years, this one brought young Douglas to the front. When President Roosevelt wanted a brainy, two-fisted man to take the unpleasant and unpopular position of budget director, he turned to the youthful man from Arizona.

As such, Mr. Douglas has become quite a "character" at the capital. Despite tremendous wealth, he rides to work each morning on a bicycle, weaving his way through the morning traffic that encircles the treasury building. At first he used to leave his "bike" in the treasury yard, but when the guards jokingly suggested that somebody might take the air out of the tires, the budget director lifted the vehicle in his arms, and carried it up to his office on an upper story. His bicycle was almost as precious to him as his budgets.

Conservative and Hard-boiled

Mr. Douglas is extremely conservative and hard-boiled. He often voted with the Republicans in the House, and always opposed measures which, in his mind, amounted to "raids on the treasury." His social friends were, mostly, men of wealth, and Republicans—Representative Robert L. Bacon of New York, the late "Nick" Longworth and Princess Alice Longworth. His attractive personality and social standing led him to run with the silk-stocking crowd rather than the less socially inclined Democrats. But people like him—or at least admire him—for his ability and courage. He will need those qualities when he gets around to pruning bureaus and discharging old government workers, as he did when he demanded retrenchment in the funds allotted to payment of war veterans' pensions and disability allowances. "Lew" will probably quit office as one of the most unpopular men of the administration. But—and he knows it only too well—somebody must be found to take care of the unpleasant jobs.

Young Douglas gets his qualities of courage and economy from his ancestors, who were Scotch. He is the grandson of a Presbyterian preacher, and the son of "Rawhide Jim" Douglas, who dug a fortune out of copper mines in Arizona. In that state he was born on July 2, 1894, and he labored in the mines as a youngster. He attended Hackley school in Tarrytown, and was graduated from Amherst in 1916. For a while he seemed to be headed for academic cloisters instead of Congress, for he taught history at Amherst, and chemistry at Hackley, for a few years. Returning to Arizona in 1921, he engaged in mining and citrus growing. Politics got him, however, and after serving in the Arizona Legislature, he ran for the House of Representatives at the age of thirty-two. He was elected four times, and might have stayed in the House for an indefinite period of time if Mr. Roosevelt had not selected him as the ideal man for cutting expenses, reorganizing the government—and saying "no" so often that it hurts.



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